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U.S. Frustrated in Efforts To Counter Soviet Spying

The following article is based on reporting by Joel Brinkley and Leslie H. Gelb and was written by Mr. Gelb.

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WASHINGTON, June 15 — American counterespionage forces are finding themselves understaffed and overwhelmed in trying to combat increasingly advanced and diversified Soviet intelligence operations in the United States, according to senior Government officials.

The officials, who deal with intelligence matters, said the Federal Bureau of Investigation had identified 500 to 600 agents of the K.G.B., the Soviet intelligence and internal security agency, among the nearly 2,600 Soviet officials living in the United States.

In addition, the Senate Intelligence Committee has identified at least 200 K.G.B. agents among the 800 members of the Soviet delegation to the United Nations.

The number of agents the F.B.I. has assigned to monitor these Soviet agents and hundreds of others who may be involved in espionage is classified, but Reagan Administration and Congressional officials estimated the number at 300 to 400.

Counterintelligence experts say four agents are required to cover one suspect day and night. "We don't even have a man-to-man defense," William J. Casey, Director of Central Intelligence, said in an interview.

In interviews, officials from the F.B.I., the Central Intelligence Agency, the State Department and other Government agencies and members of Congress said these problems helped to explain how John A. Walker Jr., charged with leading an espionage ring, might have passed vital secrets to Soviet agents for nearly 20 years without being detected.

Calls for Improvement Made

Because of the charges against Mr. Walker, members of Congress and others are calling for significant improvements in American counterespionage capabilities. This week the Senate and House Intelligence Committees and the information subcommitee of the House Government Operations Committee began investigations of those issues.

Senator Patrick J. Leahy, the Vermont Democrat who is vice chairman of the Senate Intelligence Committee, said: "How many other cases like this are there sitting out there? We have to assume the other Soviet intelligence agents are out there doing something, and we aren't catching them."

Although American intelligence officials agree that the K.G.B. has expanded and improved its operations in this country, there is debate over whether the Soviet intelligence service is now a formidable force or merely a competent one.

Edward J. O'Malley, director of the F.B.I.'s intelligence division, said, "Our objective is to know everything any given intelligence officer is doing in the U.S. at all times." At the same time, Mr. O'Malley acknowledged, "I cannot say we can follow every Soviet 24 hours a day," although he asserted that the bureau, by using electronic surveillance and "certain other legal techniques," was "in a good position to severely hurt their intelligence-gathering activities."

The officials agreed that the situation would be worse if Congress had not insisted on increasing the number of American counterintelligence agents over the last several years, despite opposition from the bureau and the Justice Department.

Intelligence sources have attributed this opposition to bureaucratic concerns and to the difficulty of finding qualified agents.

Expansion of Soviet Forces

While the Government has debated the number of counterintelligence agents it needs, the Soviet Union has improved and expanded its intelligence operations here, senior officials said.

Over the last decade, intelligence officials said, Moscow has more than doubled the number of intelligence officers assigned to the United States while at the same time broadening their operations to focus on American technology and military industries.

In the past Soviet officers worked chiefly in only four or five major cities, including New York, Washington and San Francisco. But Mr. O'Malley said they now operate nationwide.

In addition, past and present intelligence officials say the quality of K.G.B. agents has significantly improved since the days when American officers said they could easily spot

[illegible] manner, dress and education, said a former senior intelligence official. Still, Administration officials acknowledge that there is a continuing and perhaps irresolvable debate over the extent of K.G.B. capabilities and operations in this country.

Most intelligence officials say they believe that American intelligence operations are better than those of the K.G.B. but that the K.G.B. does not require as much skill to operate effectively in America's open society.

Shortcomings in U.S. Operation

Interviews with numerous current and former intelligence officers, along with members of Congress and other Government officials, also brought to light these points:

¶The F.B.I. can regularly monitor only the known Soviet intelligence officers, giving scant attention to suspected officers, and surveillance of even the known agents ends when their lights are turned out in the evening and they are presumed to be sleeping.

¶American officials believe a large number of Soviet agents have slipped into the United States illegally and are living and working here and reporting directly to Moscow. With rare exceptions, Federal officials say they do not know who or where they are.

¶The F.B.I. faces another potentially large problem in that about 1,000 Soviet émigrés, many naturalized American citizens, work in military industries and have access to classified information. The F.B.I. assumes these people are loyal Americans, but because most of them still have families in the Soviet Union the bureau believes they are vulnerable targets for the K.G.B.

¶Soviet officers place special emphasis on trying to recruit American agents, but most Americans who spy for the Soviet Union are volunteers, not recruits, bureau officials say. Soviet officers also use Americans who can be unknowingly tricked into revealing secrets.

¶Intelligence officials agree that Soviet officers have become increasingly talented at the psychological manipulation of American agents, to insure that once they begin spying they do not stop.

¶As was true with the arrest of Mr. Walker, most espionage arrests are a result of chance. Federal agents learned of Mr. Walker's alleged activities only after his wife decided to turn him in.

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Debate Over Soviet Capacities

In the F.B.I. and especially in the C.I.A., two schools of thought exist regarding the effectiveness of "the other shop," as agents call the K.G.B.

James J. Angleton, former head of C.I.A. counterintelligence, contends that the K.G.B. is highly skilled and has penetrated top levels of Government and the C.I.A. itself. He and some other officials in the agency believe the Soviet presence is now almost impossible to counter.

The other school argues that the K.G.B. has substantially improved its capacities but can still be countered.

"They're not so great, and they're probably like we are, some good, some bad," a former senior C.I.A. official said.

Mr. O'Malley said: "The K.G.B. is now very good, well trained. They are very good at detecting surveillance." But he added, "They are not 10 feet tall." Since Mr. Angleton's departure in the mid-1970's, this view has become dominant.

William Hood, a former C.I.A. agent, said, "It is hard for an intelligence service to be much better than the society it represents, and Soviet society is low in productivity and spirit and high in alcoholism.

But he added, "The K.G.B. is also their elite."

Reliance on Electronic Tools

In the last several years, Soviet intelligence officers have substantially increased their reliance on electronic intelligence gathering, a field in which the United States capacities are believed to be more advanced, officials say.

Soviet devices in Cuba monitor American telephone and other communications along much of the East Coast. And the new Soviet Embassy in Washington, on a hill near the highest point in the city, is believed to be equipped with advanced electronic surveillance equipment.

"These techniques have substantially devalued classical espionage," a former American agent said.

Nonetheless, several officials said, as the arrest of Mr. Walker showed, human agents remain critically important.

"The Soviets place a great deal of emphasis on recruiting Americans," Mr. O'Malley said.

In recent years, current and former intelligence officials say, the K.G.B. has refined its recruiting techniques in this country. Today agents use guile and psychological manipulation more often than in the past, when they might have relied on blackmail.

Adm. Stansfield Turner, the Director of Central Intelligence in the Carter Administration, said, "They appeal to financial motives, to greed and to this macho, '007' appeal that makes some people think they want to be spies."

In court this week, James W. Miller, a former F.B.I. agent accused of spying for the Soviet Union, testified that he was acting out what he called "a James Bond kind of fantasy" in becoming sexually involved with a Russian woman who is also accused of being a Soviet spy.

Mr. O'Malley said Soviet officers tried to befriend American targets, find their weaknesses and then use their vulnerabilities to turn them into spies.

In addition, Soviet officers use a technique in which they try to use unwitting Americans to gain access to secrets.

For example, in Washington recently, an intelligence official said, a K.G.B. agent used this "false flag" technique. He approached the wife of an American naval officer who was about to take a post abroad as an embassy attaché. The Soviet agent told the woman that he was with the United States Navy and that the Navy wanted her to report on what was going on in the embassy without telling her husband. She told her husband anyway, and the Soviet attempt failed.

Recruiting Efforts by Walker

Robert T. Crowley, a former senior C.I.A. official, said he believed Mr. Walker might have recruited unwitting agents in the Norfolk Police Department.

Pamela K. Carroll, Mr. Walker's close companion, was dismissed this week from her job in the Norfolk Police Department after an internal investigation. She purportedly ran automobile license-plate checks for Mr. Walker using the department's computer. She has maintained that she did not know Mr. Walker may have been spying.

Another Norfolk police officer, Jack Bernard, a 21-year veteran of the force, resigned rather than take a lie-detector test on possible connections with Mr. Walker, a senior city official said. Mr. Bernard worked in the department's central files division and had access to city, state and Federal police records nationwide.

City officials said at least six other Norfolk police officers were under investigation.

Mr. Crowley said Mr. Walker's connections with the Norfolk Police Department might have given Soviet intelligence officers "access to police files all over the country."

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Techniques for Recruiting Americans

The C.I.A. has acquired K.G.B. manuals that offer a cartoon-like view of the typical American: venal, greedy, a product of decadent, capitalistic society. But intelligence officials agree that money is often but not always the primary motivation for Americans to spy.

K.G.B. officers working in the United States "recruit very hard, look for vulnerabilities and test people," Mr. Casey said.

A former C.I.A. official said Soviet officers looked for "the vulnerable personality, someone filled with envy, resentment, ego, a grudge."

More and more, another former C.I.A. officer said, recruits are "people who think society has given them a raw deal."

But while the K.G.B, tries hard to recruit, F.B.I. and C.I.A officials agree that most Americans who spy for Moscow are people who appear at the door of a Soviet embassy or consulate offering to sell American secrets.

"It's the walk-in trade that keeps their shop open," Mr. Hood said. But based on the briefings he has received, Mr. Casey said, "It's my guess that Walker was a recruit."

Whether a walk-in or a recruit, once an American begins spying for the Soviet Union it is unlikely he will find it easy to retire.

'There Is No Exit From It'

In testimony before Congress in April, Christopher J. Boyce, who was convicted in 1977 of passing classified information about American satellites to Soviet officers, said, "There is no exit from it."

Mr. Boyce described a 1976 meeting in which he told his Soviet contact he was going to retire. "I told Boris I was going back to school," Mr. Boyce said. "He thought it was a great idea." He said his Soviet contact told him to study international relations and then to get a job at the State Department.

"He was looking 10 or 20 years down the road, the same relationship going on and on," Mr. Boyce said.

Once an American first commits espionage, Soviet agents act on the vulnerability to blackmail and may attempt to keep the agent working with threats.

"That's par for the course in the intelligence business," said David A. Phillips, a former C.I.A. official. "You don't have so many candidates that you can afford to let them go. This isn't the Boy Scouts."

Mr. Crowley, who was a C.I.A. assistant deputy director for oeprations when he retired in 1980, said blackmail could begin after the first contact.

If an American approaches a Soviet officer offering to spy, he said, the Russian "goes through what we call 'tire-kicking.' He'll size the American up, set up another meeting and ask him to bring something to establish his bona fides."

After the first contact, Mr. Crowley said, the Soviet officer "does an audit: 'What does the American know about me? What do I know about him?' "

If the meeting proceeds as the Soviet officer hopes, Mr. Crowley continued, the American will know little about him but the Soviet officer will know a lot about the American "so they can complicate his life if they want to." He added, "It's a trained guy against an amateur."

How Soviet Union Manages Its Spies

Americans who agree to spy for the Russians are carefully managed by Soviet officials in Moscow, intelligence officials said. Soviet officers in the United States do little without advance approval.

Every initiative with an American spy is carefully discussed and rehearsed in advance, the officials said, adding that it was not unusual for the K.G.B. to send a second agent on a mission to monitor the activities of the first.

In the United States, a K.G.B. officer managing cases will advise the junior officer who is the contact for an American agent, " 'You're using this restaurant too often,' or, 'you ought to stop using that credit card,' " Mr. Crowley said.

Officers at K.G.B. headquarters in Moscow assess the material American spies provide and then send back requests "saying 'we need a little more of this, a little less of that — can you get us this?' " Mr. Crowley said.

Soviet officers "want actual documents," Mr. Crowley said, adding: "They are insatiable in that respect. They want the actual paper; they don't want your interpretations of what it said."

Sometimes, an intelligence official said, a Soviet officer might tell an American agent, "My superiors want you to know that your performance is falling off, but we are holding out hope that it will improve."

But if an American agent provides particularly valuable information, he is often rewarded. Joseph Helmich, a former Army warrant officer who admitted in 1981 that he had been a Soviet spy, was awarded the rank of colonel in the Soviet Army.

Intelligence officials said Soviet officers carefully controlled their payments to an American spy, giving enough money to keep the agent motivated but not enough to provide independence. Sometimes they tell the American that part of his earnings are being deposited in a Soviet bank account.

If the American believes he is about to be arrested, his Soviet contact "will give him a false passport and a ticket to Warsaw, say," Mr. Crowley said. If the American decides he does not want to move to Poland, Mr. Crowley added, "Then they have fulfilled their obligation, and that's the end of it."

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Measures for Countering Espionage

The F.B.I.'s foreign counterintelligence office is responsible for stopping Soviet espionage in the United States, while the C.I.A. is charged with countering it abroad.

The F.B.I. places Soviet officials who live in this country into five categories, Administration and Congressional officials said.

The first category includes known intelligence officers who are actively engaged in espionage. This is the only group the F.B.I. monitors on a daily basis, using physical and electronic surveillance. Most of these people are Soviet diplomats, embassy attachés and journalists.

Ten years ago about 150 people were placed in this category, but today there are 500 to 600, the officials said.

The second category consists of suspected intelligence agents, mostly diplomats. Intelligence officials believe all Soviet diplomats are potential intelligence agents because they cannot easily resist K.G.B. requests without fear of reprisal. Members of this group are not watched on a daily basis.

The third group consists of Soviet Government officers with no evidence of K.G.B. connections, and the fourth is Soviet citizens who are not clearly attached to their Government, like visitors and academics.

"There is no program at all to get at these people" in the fourth group, a Congressional official said, even though intelligence officials say visitors are often coerced into performing espionage work for the K.G.B.

Undercover Soviet Officers

The last group consists of undercover Soviet officers who enter the country illegally, take up residence as American citizens and try to blend into American society.

These "illegals," report directly to Moscow, intelligence officials say, and try to find jobs that give them access to sensitive information. The most famous of these was Col. Rudolf Abel, a Soviet officer who ran a successful spy network in the 1950's.

Admiral Turner, the former C.I.A. Director, said, "I suspect there are a sizable number of illegals in the United States," although intelligence offical say no one knows for sure.

For several years the Congressional intelligence committees have been struggling to increase the number of F.B.I. agents assigned to the counterintelligence office.

"For the last three or four years, our intelligence committee has increased the F.C.I. manpower above what the Administration asked for," said Senator Leahy, the committee's vice chairman, referring to the foreign counterintelligence office. Still, he added, "There are nowhere near enough agents."

Resisting Increases in Staff

Several Congressional sources and Administration officials said the F.B.I. has resisted increases mainly for bureaucratic reasons. As one Congressional source put it, "The F.B.I. does not want the F.C.I. to become disproportionately large within the F.B.I., and the Justice Department does not want the F.B.I. to get bigger within the Justice Department."

A former bureau agent said this was part of the explanation. More important, he said, "It is simply hard to train and get qualified agents as quickly as Congress and we would want."

The bureau's counterintelligence job is compounded because, in addition to watching Soviet officials, it must track Cuban, Bulgarian, East German and other officers from Soviet bloc countries who may be engaged in espionage.

Most of the officials interviewed agreed that increasing the number of counterintelligence officers would not solve the problem by itself.

The real key to countering Soviet espionage, they said, is penetrating the Soviet establishment, particularly the K.G.B.

"The heart of the matter is being inside the other's shop," Mr. Hood, the former C.I.A. agent, said. "That's the way to stop espionage."

The officials would not discuss how successful American intelligence officers might have been at that, but Mr. Crowley said the job was extraordinarily difficult.

In this country, he said, Soviet diplomats with access to classified materials "live in compounds, and they're locked up at night — if they want to go to the supermarket, they go in caravans, with guards."

"We just don't get many walk-ins here," he added.

But, referring to espionage successes by both sides, Mr. Casey said: "It happens both ways. It's pretty much the luck of the draw."

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United Press International; Sygma/Diego Goldberg

Senator Patrick J. Leahy, top left, vice chairman of Senate Intelligence Committee, contends that "we aren't catching" Soviet agents. William J. Casey, lower left, Director of Central Intelligence, says there is no "man-to-man defense" against espionage suspects. Edward J. O'Malley of the F.B.I. defended his organization's surveillance activities.